

STATE PLAN UNDER TITLE XIX OF THE
SOCIAL SECURITY ACT

Attachment 1.2-B

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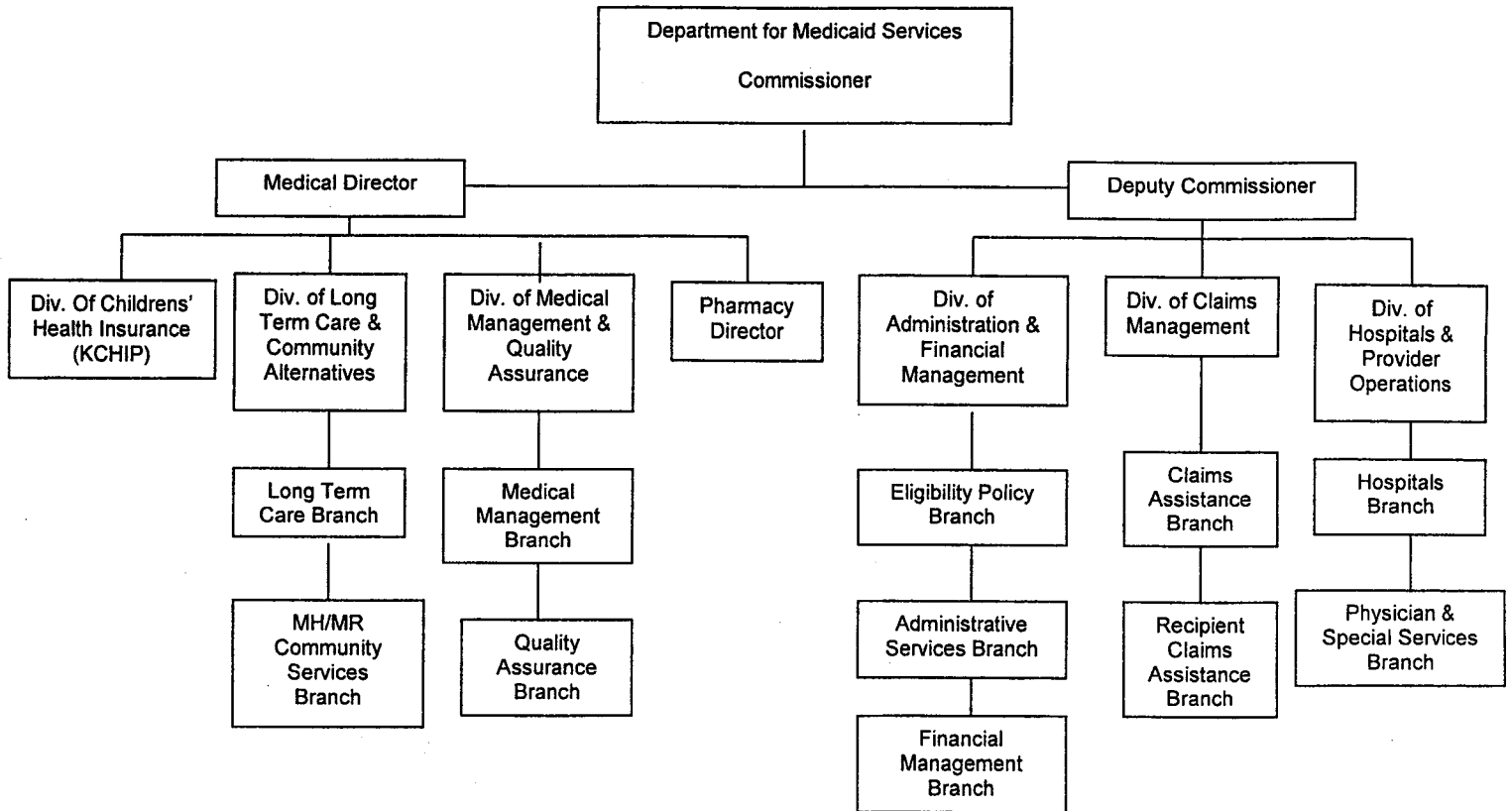
State: Kentucky

ORGANIZATION AND FUNCTION OF THE STATE AGENCY

The Department for Medicaid Services is the Single State Agency in the Commonwealth to administer Title XIX of the federal Social Security Act. The Commissioner for Medicaid Services exercises authority over the Department under the direction of the Secretary of the Cabinet for Health and Family Services and performs those functions delegated by the Secretary.

The Secretary of the Cabinet has delegated to the Department for Medicaid Services, line organizational responsibilities as the medical assistance unit within the government of the Commonwealth of Kentucky. Accordingly, it is the organizational unit responsible for administration of Medicaid programs and payments for vendor services provided to eligible recipients in the program under the direct supervision of the Secretary of the Cabinet for Health and Family Services.

The following chart illustrates the organizational structure and functional relationships of the Department for Medicaid Services.



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I. ORGANIZATIONAL DESCRIPTION

The organizational structure of the Department for Medicaid Services consists of a commissioner, deputy commissioner, medical director, pharmacy director, and six (6) divisions. Each division director assumes specific responsibility in one of the following divisions: Children's Health Insurance (KCHIP), Long Term Care and Community Alternatives, Medical Management and Quality Assurance, Administration and Financial Management, Claims Management, and Hospitals and Provider Relations.

Each director utilizes professional and clerical staff specializing in specific program areas.

II. FUNCTIONS OF THE UNIT

The Department for Medicaid Services is directly concerned with administration of all aspects of the Program (excluding the eligibility determinations function) and with attaining its objectives. It is responsible for promoting and administering the provision of a continuum of high quality comprehensive services to indigent citizens of the Commonwealth of Kentucky so as to improve their health care. There is a further responsibility for the Department to promote efficiency in assuring the availability and accessibility of facilities and resources, particularly in rural and urban poverty areas where shortages of health resources prevail. To be effective in these respects, it is essential for the Department to have a unified philosophy, clearly defined goals, and sufficient authority to carry out its responsibilities. As the organizational unit administering the Medicaid program, the Department is responsible for developing, recommending, and implementing policies, standards, and procedures relating to benefit elements.

A. Functions and responsibilities of the Department include, but are not limited to, the following:

1. Certifying the need of recipients for Medicaid;
2. Issuing authorizations for provision of Medicaid;
3. Certifying the provision of medical care in accordance with quality and quantity standards as established;
4. Developing bases and methods of payment for the medical services provided;
5. Certifying vendor billings for compliance with established base of payments;

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6. Developing and implementing a managed care program for the delivery of physical and behavioral health services through Health Care Partnerships and KenPAC;
 7. Redirecting the emphasis of services through managed care toward primary care and prevention while improving accessibility, availability and quality of care for individuals served by Medicaid;
 8. Developing and implementing a capitated non-emergency medical transportation delivery system, excluding ambulance stretcher services; and
 9. All other activities agreed upon jointly by the Advisory Council for Medical Assistance, the Cabinet for Health and Family Services, and the Department for Medicaid Services.
- B. In the course of carrying out the above specifically designated functions and in providing staff assistance to the Advisory Council for Medical Assistance, the Department for Medicaid Services performs other functions, including but not limited to:
1. Developing, implementing, and disseminating policy and procedure material relevant to service benefits;
 2. Preparing and managing the Program budget;
 3. Conducting research analysis and evaluation, and preparing special reports on the findings thereof;
 4. Conducting provider and recipient utilization review for use as a control technique in the enforcement of quality and quantity standards;
 5. Establishing and maintaining a data base for the generation of statistics necessary for the operation and management of the program;
 6. Maintaining a complete system of claims processing;
 7. Determining recipient qualifications for specific service benefits;
 8. Verifying recipient eligibility and certifying provider payments;
 9. Providing oversight of the managed care program for the delivery of physical and behavioral health services;
 10. Providing oversight of the capitated non-emergency medical transportation delivery system;
 11. Assisting the Advisory Council, the Technical Advisory Committees, and other special committees as they carry out their assignments; and
 12. Administering a quality improvement program to monitor and evaluate the health and health outcomes of members.
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III. MISSION STATEMENTS FOR DIVISIONS AND SUBORDINATE UNITS

A. OFFICE OF THE COMMISSIONER

The Office of the Commissioner, Department for Medicaid Services, subject to the supervision and approval of the Secretary of the Cabinet for Health and Family Services, carries the responsibility for overall administration and direction of the Kentucky Medicaid Program. This office provides the principal liaison between the Office of the Secretary and Divisions within the Department. It is also responsible for directing the coordination of program activities with those of related programs of other state and federal agencies. The Office of the Commissioner is directly responsible for overseeing the Advisory Council for Medical Assistance.

B. DIVISION OF CHILDREN'S HEALTH INSURANCE (KCHIP)

This division is responsible for the program development and reimbursement and oversight functions of the Title XXI Kentucky Children's Health Insurance Program (KCHIP). This division monitors participating providers for compliance with state and federal regulations and their achievement of service access and quality targets and goals, and provides necessary program technical assistance and training to participating providers. In conjunction with the Division of Claims Management, this division ensures that automated provider payment and reporting systems are appropriately updated and revised so as to enforce and support program policies.

C. DIVISION OF LONG TERM CARE AND COMMUNITY ALTERNATIVES

This division is responsible for program development and reimbursement functions of the long term care programs for the Commonwealth of Kentucky. Administration and monitoring of the contract with the Peer Review Organization (PRO) is the responsibility of this division. Coordination of programmatic functions will be conducted through two (2) branches. This division is also responsible for providing program specific technical assistance and expert testimony to and on behalf of the Cabinet and other state agencies (e.g., hearings, legislative testimony, court actions, new program development, remaining abreast of state of the art of the various assigned service areas of responsibility (e.g., Federal

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regulatory changes, marketplace dynamics, service and reimbursement innovations) and recommended program policy, negotiating and monitor assigned provider and department agent contracts, managing the internal operations and administrative functions of the division, and serving as liaison to assigned TACs, committees, councils and citizen's groups.

1. Long Term Care Branch: This branch is responsible for continuing departmental compliance with all applicable federal, state, and local laws and regulations related to long term care facilities. These responsibilities include: continued research and data compilation regarding long term care facilities; amendments to current regulations; amendments to the state plan; reimbursement function of long term care facilities; monitoring of long term care facilities to ensure compliance with program requirements as well as recipient safety and welfare; and any other support necessary for the continuing operation of long term care facilities. Nursing, ventilator, brain injury, and swing beds are the facilities included in the operations of the Long Term Care Branch, as are Home Health services and Hospice.
2. MH/MR Community Services Branch: This branch is responsible for continuing departmental compliance with all applicable federal, state, and local laws and regulations related to long term care programs. These responsibilities include: research and compilation of data related to existing and potential long term care programs; development, amendment, and renewal of waiver programs; drafting and submitting state plan amendments and administrative regulations; drafting and issuing long term care program manuals; reimbursement functions of long term care programs; monitoring of long term care providers to ensure compliance with program requirements as well as recipient safety and welfare; and any other support necessary for the implementation and operation of long term care programs. Programs operated under this branch include: Home and Community Based Waiver, Model II Waiver, Adult Day Care, Community Mental Health Centers, SCL Waivers and contract oversight, Targeted Case Management for Adults, Targeted Case Management for Children, Impact Plus, ICF-MR, and Acquired Brain Injury Waiver.

D. DIVISION OF MEDICAL MANAGEMENT AND QUALITY ASSURANCE

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This division will identify recipients who need medical management of their illnesses and assist providers in improving clinical outcomes, improving quality standards and providing the best care in an cost effective manner. There are two branches in this division.

1. Medical Management Branch: This branch will focus on activities for managing the health care needs of the Medicaid population by implementing disease management, case management and effective utilization management.
2. Quality Assurance Branch: This branch will focus on quality of care and quality outcomes, improving care and service for Medicaid recipients.

E. DIVISION OF ADMINISTRATION AND FINANCIAL MANAGEMENT

This division is the Department's financial analysis and budget office, and has responsibility for formulation and monitoring of the Medicaid budget, preparation and distribution of statistical data and activities.

1. Administrative Services Branch: This branch is responsible for the state plan and regulation system. This branch coordinates and maintains the Title XIX State Plan, provides administrative regulation coordination, legislation coordination, monitors the development of the intranet and the resource library, and processes all open records requests. This branch also reviews appropriate media to identify federal or state policy changes and program actions and refers issues to appropriate program divisions.
2. Eligibility Policy Branch: This branch is primarily responsible for eligibility policy monitoring systems. This branch coordinates and maintains policy analysis, program research, program development regarding eligibility, establishes Medicaid third party liability policy as related to eligibility processes, provides technical assistance to the department and external agencies pertaining to eligibility criteria and systems, and ensures that internet resources related to eligibility are updated as needed.
3. Financial Management Branch: This branch oversees the Department's administrative and benefit budgets, as well as all financial transactions of the Department. Contract development

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and negotiations are coordinated through this branch. All Federal budget and statistical reports are prepared and submitted by this branch. In conjunction with the Division of Claims Management, this branch ensures that the Department's automated systems are appropriately updated to provide accurate and timely finance-related information. This branch is primarily responsible for audit coordination, rate coordination/IGT coordination, and expenditure analysis and forecasting. With appropriate program staff input, this branch performs long and short term revenue and expenditure forecasting for the Department, performs financial impact analysis for newly proposed programs, proposed legislation, service or eligibility revisions for expansion, and conducts or sponsors actuarial studies of Medicaid of MCE service and demographic experience. In addition, they evaluate Managed Care Entities rate proposals in light of actuarial information, and maintain expertise necessary to provide technical assistance to program staff in support of their rate modeling and development responsibilities.

F. DIVISION OF CLAIMS MANAGEMENT

This division has the oversight responsibility for the contract with MMIS/Fiscal Agent. Division staff are responsible for provision of technical assistance to the Commissioner and Deputy Commissioner. This division is also responsible for policy development regarding eligibility, for resolving all recipient eligibility concerns, Utilization Review, and program integrity issues. This Division provides technical assistance to the Department in all areas of Information System development and management.

1. Recipient Claims Assistance Branch: This branch maintains a general Medicaid information help desk to field inquiries from the public and provides assistance to Medicaid recipients.
2. Claims Assistance Branch: This branch develops and coordinates the procurement, maintenance and monitoring of the MMIS contract. In addition, this Branch serves as the Department liaison and monitors the performance of all external "feeder" Information Systems (KAMES, SDX, PAS, etc.), prepares and verifies the accuracy and completeness of all routine and special management information reports, and serves as the Department liaison to

external information management agencies. They also assist program staff in the interpretation of data.

G. DIVISION OF HOSPITALS AND PROVIDER OPERATIONS

This division has direct responsibility for all hospital, physician, and specialty services. Providers include physicians, dentists, nurse practitioners, podiatrists, nurse anesthetists, chiropractors, and optometrists. Specialty services include vision services, hearing services, independent labs, durable medical equipment suppliers, and emergency transportation providers. The Director of this division has direct responsibility for the Physician Services, Dental Care, Podiatric Care, Nursing Services, Optometric Care, Primary Care, and Hospital Care Technical Advisory Committees.

1. Hospitals Branch: This branch is primarily responsible for services in Inpatient Hospitals, Outpatient Hospitals, Renal Dialysis Centers, Ambulatory Surgical Centers, Rehab Hospitals/Facilities, Psychiatric Hospitals, Psychiatric Residential Treatment Facilities (PRTF), Comprehensive Outpatient Rehab Facilities, Critical Access Hospitals, DSH policy, and transplants.
2. Physician and Specialty Services Branch: This branch includes the following programs: dentists, vision services, hearing services, podiatrists, chiropractors, family planning, durable medical equipment (DME), emergency transportation and ambulance service, independent lab, other lab, X-ray, optometrists, services to physicians, Primary Care Centers, Rural Health Centers, nurse practitioners, midwife services, nurse anesthetists, and preventative care (LHD). This branch is also responsible for policy/regulation development and analysis, rate setting and analysis, and provider enrollment.